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STATE FOR EBB/IFD/ODF/KEMONAHAN; IO/EDA/JHARRIMAN  
STATE PASS TO USTR FOR C. HAMILTON AND W. JACKSON  
TREASURY FOR REBECCA KLEIN

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SUBJECT: FINANCING FOR DEVELOPMENT DEMARCHE: UGANDA ASKS FOR  
INFRASTRUCTURE HELP

REF: State 102765

¶1. Econoff delivered points in reftel to Laurence Kizza, Director of Economic Affairs at the Ministry of Finance and Economic Development and Arapta Mangusho, acting head of the Department of Multilateral Organizations at the Ministry of Foreign Affairs. Both Kizza and Mangusho stated that the Ugandan Government has formulated its position for the review of the 2002 Monterrey Consensus on Financing for Development (FFD). Uganda believes that while good governance and sound economic policies in developing countries are important, developed countries should also provide resources to address "supply-side constraints" in the developing world, Kizza stated. In Uganda's view, these constraints are a larger local inhibitor of international trade than issues of corruption and governance.

¶2. Asked which constraints Uganda meant, Kizza and Mangusho said developed countries should provide greater assistance to build transport infrastructure in the developing world. The officials emphasized that, though the Ugandan budget had provided more resources for infrastructure in its 2008/2009 fiscal year budget, the country's ability to absorb large cash inflows for infrastructure was currently limited. Mangusho complained that locally planned infrastructure projects had failed to obtain funding from international institutions, and, therefore, Uganda particularly needed greater assistance in building local capacity to plan and design infrastructure. The officials stated that these views had been communicated to the Ugandan Permanent Mission at the UN for use in current negotiations on the Outcome Document for the Doha FFD Review Conference.

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